



Department of State

TELE

CONFIDENTIAL

AN: D730033-0330

PAGE 01 TOKYO 10880 240924Z

14
ACTION AF-18

INFO OCT-01 EUR-25 EA-11 ADP-00 NEA-10 PM-07 NSC-10 SS-15

RSC-01 CIAE-00 INR-10 NSAE-00 L-03 PRS-01 EB-11

COME-00 TRSE-00 SCEN-02 INT-08 OMB-01 RSR-01 /135 W
041098

R 240840Z AUG 73
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6251
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY THE HAGUE
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TRIPOLI
USMISSION EC BRUSSELS
USMISSION OECD PARIS

CONFIDENTIAL - TOKYO 10880

E.O. 11652: GDS
TAGS: ENRG, LY, JA
SUBJ: LIBYAN PARTICIPATION TALKS
REF: A. STATE 163503; B. TRIPOLI 1083

1. DRAWING ON REFTELS, ECOUNS BRIEFED MITT (KUMAGAYA, DIRECTOR OIL DEPARTMENT AND SUZUKI, CHIEF OIL POLICY DIV) AND FONOFF NISHIDA, DEPUTY DIRECTOR GENERAL ECONOMIC AFFAIRS BUREAU) AUG 24 ON DEVELOPMENTS RE MAJORS' DISCUSSIONS WITH LARG AND MAJORS' STRATEGY. EMPHASIZED THAT MAJORS POSITION FLEXIBLE IN THAT THEY WILLING MAKE ADDITIONAL SUPPLEMENTAL PAYMENTS, IN RELATION TO BENEFITS OBTAINED BY PERSIAN GULF PRODUCERS, BUT THAT MAJORS UNIFIED IN RESISTING LARG DEMANDS FOR 51 PERCENT, WHICH VERY LIKELY TO LEAD TO SUBSTANTIAL AND WIDESPREAD CRUDE PRICE INCREASES. ALSO DISCUSSED MAJORS' AUG 21 MEETING WITH LARG OFFICIALS (REF B).

PAGE 02 TOKYO 10880 240924Z

CONFIDENTIAL

CONFIDENTIAL

2. SUZUKI OF MITI NOTED THAT WHILE GOJ HAS NO DIRECT INTEREST IN LIBYA, IT HAS SERIOUS SECONDARY INTEREST REGARDING EFFECT OF DISPUTE ON OIL SUPPLIES FROM PERSIAN GULF. SUZUKI AND KUMAGAYA THUS HOPED BOTH SIDES WOULD REMAIN FLEXIBLE AND THAT DISPUTE WOULD BE SETTLED AMICABLY. SUZUKI ALSO SHOWED CONSIDERABLE INTEREST IN WHAT LEGAL PROCEDURES WERE AVAILABLE TO MAJORS TO BLOCK SALE OF "HOT OIL" IN CONSUMING COUNTRIES, AND WHETHER OR NOT THESE WOULD CONFLICT WITH (UNSPECIFIED) UN RESOLUTION WHICH ASSERTED THAT OWNERSHIP OF RESOURCES WAS IN HANDS OF PRODUCERS. (STATE'S 167570 ARRIVED AFTER DISCUSSION WITH MITI.) IF DEPARTMENT BELIEVES IT ADVISABLE EMB COULD DISCUSS WITH MITI LEGAL PRINCIPLES OUTLINED THAT MESSAGE. PLEASE ADVISE. MITI OFFICIALS ALSO ASKED SEVERAL QUESTIONS RE REACTION OF EUROPEAN COUNTRIES TO THREAT OF NATIONALIZATION BY LARG.

3. NISHIDA OF FONOFF EXPRESSED HIS THANKS FOR EMBASSY BRIEFING AND ASSURED ECOUNS MESSAGE WOULD BE RELAYED TO HIGHER LEVELS GOJ.

4. NEITHER FONOFF OR MITI HAD ANY ADDITIONAL FACTUAL INFORMATION TO OFFER ON SITUATION IN LIBYA.

5. ACTION REQUESTED: INSTRUCTIONS ON DISCUSSIONS WITH MITI RE LEGAL MEASURES AVAILABLE TO MAJORS (SEE PARA TWO ABOVE).
INGERSOLL

NOTE BY OC/T: WAS RECEIVED.

CONFIDENTIAL